

Sick Leave Credit FAQs

Your Retirement Application and Options Webinar

Why does the application have a place for my unused sick leave?

At retirement, any unused sick leave you have may be converted to additional service credit as long as your employer contracts for this benefit and certifies the time on your application or on the Amended Employer Certification form. If the leave amount is certified on your retirement application, the service credit is added to the first retirement check. If not, an adjustment is calculated after your retirement date and paid retroactively once your employer certifies the unused leave.

To receive sick leave credit, your retirement date must be within 120 days of the date of separation from employment.

How is the sick leave converted to service credit?

To calculate your conversion, first divide the number of hours of unused sick leave by eight to get the number of days. Next, multiply the number of days by .004. This converts your sick days to years of service credit.

Therefore, if you have 500 hours of sick leave at retirement:

$$\begin{aligned} 500 \div 8 &= 62.5 \text{ days of sick leave} \\ 62.5 \times .004 &= .250 \text{ years of service credit} \end{aligned}$$

250 days of unused sick leave equals one year of service credit. It's important to remember that this service credit will not change your age at retirement or your retirement effective date. It simply increases the amount of service credit used in determining your retirement benefit.

Do I understand correctly—that if I will not be retiring within 120 days of separation (lay-off) I will lose sick days? Or will I be paid for them?

Sick leave conversion will not apply if you do not retire within 120 days of separating from payroll. Contact your employer to determine if you will receive payment for unused sick leave.

Which types of leave can be cashed out or rolled into 401K, etc.?

Vacation and other types of leave time cannot be converted to service credit. In most cases, employers will provide a lump sum payout for this time or let you continue on the "payroll" until your time is exhausted, and then you retire. Contact your personnel office for their policy regarding unused leave.

I left unused sick leave balance in a CalPERS agency then moved to another CalPERS agency. Will that sick leave balance be converted to service time?

No, only the sick leave balance you have with your last employer is eligible for conversion. To make this conversion, you must retire within 120 days of your separation from employment.

What deductions are taken from one's retirement check—FICA, social security, state withholding, health care deductions, etc.?

Deductions on your retirement check can vary. Some deductions are automatic, such as health benefit deductions, service credit purchase deductions, or liens and levies related to Internal Revenue Service or State Franchise Tax Board actions. Optional deductions are member-authorized deductions for payments to organizations that have agreements on file with CalPERS, such as life insurance premiums, union dues, or charitable contributions.

Retirement contributions, FICA/Social Security/Medicare and CASDI/SDI will not be deductions on your retirement check.